

110TH CONGRESS
2D SESSION

H. R. 7164

To authorize the Southern Africa Enterprise Development Fund (SAEDF) to conduct public offerings or private placements for the purpose of soliciting and accepting venture capital, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 26, 2008

Mr. PAYNE (for himself and Ms. JACKSON-LEE of Texas) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To authorize the Southern Africa Enterprise Development Fund (SAEDF) to conduct public offerings or private placements for the purpose of soliciting and accepting venture capital, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Southern Africa Enter-
5 prise Development Fund Act of 2008”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) The Southern Africa Enterprise Develop-
2 ment Fund (SAEDF) was created in 1994 for the
3 purpose of providing financial services to stimulate
4 the creation and expansion of indigenous, previously
5 disadvantaged small- and medium-sized enterprises
6 (SMEs) in the southern African region.

7 (2) SAEDF's geographic scope encompasses 11
8 vastly different southern African nations covering an
9 area nearly the size of the United States.

10 (3) SAEDF's grant agreement with the United
11 States Agency for International Development
12 (USAID) requires that not less than 50 percent of
13 its capital be invested in the Republic of South Afri-
14 ca.

15 (4) SAEDF was conceived as an independent
16 not-for-profit vehicle providing long-term risk capital
17 as well as offering advice and technical assistance
18 both to financial intermediaries and directly to indi-
19 vidual firms, all for the purpose of creating socio-
20 economic opportunities and job and wealth creation
21 among disadvantaged groups.

22 (5) SAEDF has achieved notable commercial
23 accomplishments and has put more than
24 \$80,000,000 to work in carrying out its mission,
25 providing financing to 29 indigenous ventures across

1 southern Africa which directly employ over 2,000
2 workers and leading to the creation of an estimated
3 50,000 jobs.

4 **SEC. 3. USE OF UNITED STATES PRIVATE VENTURE CAP-**
5 **ITAL AND NONAPPLICABILITY OF OTHER**
6 **LAWS.**

7 (a) USE OF PRIVATE VENTURE CAPITAL.—In order
8 to maximize the effectiveness of the activities of SAEDF,
9 SAEDF may conduct public offerings or private place-
10 ments for the purpose of soliciting and accepting venture
11 capital which may be used, separately or together with
12 funds made available from the United States Government,
13 for any lawful investment purpose that the Board of Di-
14 rectors of SAEDF may determine in carrying out the ac-
15 tivities of SAEDF. Financial returns on SAEDF invest-
16 ments that include a component of private venture capital
17 may be distributed, at such times and in such amounts
18 as the Board of Directors of SAEDF may determine, to
19 the investors of such capital.

20 (b) NONAPPLICABILITY OF OTHER LAWS.—Notwith-
21 standing any other provision of law, funds obligated to
22 SAEDF may be available and used for the purposes of
23 its grant, this bill, or otherwise, and Executive branch
24 agencies may conduct programs and activities and provide

1 **SEC. 4. DEFINITION.**

2 In this Act, the term “Southern Africa Enterprise
3 Development Fund” or “SAEDF” includes any successor
4 or related entity to SAEDF or any organization, corpora-
5 tion, limited-liability partnership, foundation, or other cor-
6 porate structure that receives, or is authorized to manage,
7 any or all of the remaining funds or assets of SAEDF.

○